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OFFICE OF THE

WEST COAST OF SOUTH AMERICA
DISCUSSION AGREEMENT

FMC Agreement No.

A Cooperative Working Agreement
(As Defined In 46 C.F.R. §572.104(h))



Date of Last Republication: None

Expiration Date: None

TABLE OF CONTENTS

<u>Article No.</u>		<u>Page</u>
1.	FULL NAME OF THE AGREEMENT	1
2.	PURPOSE OF THE AGREEMENT	1
3.	PARTIES TO THE AGREEMENT	1
4.	GEOGRAPHIC SCOPE OF THE AGREEMENT	2
5.	AGREEMENT AUTHORITY	2
6.	OFFICIALS OF THE AGREEMENT AND DELEGATION OF AUTHORITY	4
7.	MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION	4
8.	VOTING	5
9.	DURATION AND TERMINATION OF THE AGREEMENT	5
10.	AMENDMENTS AND EXECUTION	5

ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of the Agreement is the West Coast of South America Discussion Agreement (the "Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of the Agreement is, through authorization of discussion, consultation and development of consensus, to foster commerce, service and stability in the trade while maintaining the parties freedom of competitive action.

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to the Agreement are:

Conference Parties

West Coast of South America Agreement
and its Member Lines
67 Broad Street
Suite 3005
New York, NY 10004

Independent Carrier Parties

Naviera Consolidada S.A.
8355 N.W. 53rd Street
Manchester Building
Suites 112 and 114
Miami, FL 33166

Transportes Navieros Ecuatorianos
Edificio Citibank
Avenida 9 de Octubre Chile
Guyaquil, Ecuador

Seaboard Marine Ltd.
1300 N.W. 78th Avenue
Miami, FL

426

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of this Agreement shall extend, via direct service or transshipment between, on the one hand:

1. Atlantic and Gulf Coast ports of the United States,
2. Inland or coastal points in the United States via Atlantic and Gulf Coast ports, and
3. Ports and inland points in Puerto Rico and the U.S. Virgin Islands

on the other hand:

1. Ports in Ecuador, the Pacific Coast of Colombia, Peru and Chile,
2. In-transit cargo to Bolivia via ports in Peru and Chile
3. Inland or coastal points in Ecuador, Colombia, Peru and Chile and inland points in Bolivia

hereinafter called "the Trade".

ARTICLE 5: AGREEMENT AUTHORITY

(a) The parties are authorized, but not required, to meet, exchange information or otherwise discuss their separate tariffs, rates, service items, rules and service contracts, in the trade, and to reach consensus or agreement thereon but shall, despite any agreement, have no obligation under this Agreement to adhere, other than voluntarily, thereto. The authority of the parties includes, but is not limited to, consideration, ~~discussion, exchange of information and, to the extent the parties choose to do so, agreement on all aspects of transportation and service in the trade, including rates, charges, classification, practices, terms, conditions and rules~~ and regulations applicable to transportation of cargo in the trade and to services provided in connection therewith, notice periods for changing rates and service items, port-to-port rates, overland rates, minilandbridge rates, interior point intermodal rates, port area intermodal rates, proportional rates, through rates, inland portions of through rates, joint rates, minimum

West Coast of South America
Discussion Agreement
FMC Agreement No.
Original Page No. 3

rates, surcharges, arbitraries, volume rates, joint time/volume rates, project rates, freight-all-kinds rates, volume incentive programs, loyalty arrangements or fidelity commission systems, conforming to the anti-trust laws of the United States, consolidation, consolidation allowances, rates on commodities exempt from tariff filing, absorptions, equalization, substituted (alternate port) services, allowances, freight forwarder compensation, brokerage, the conditions determining such compensation or brokerage and the payment thereof, receiving, handling, storing, and delivery of cargo, designation of base ports and points, pick up and delivery charges, free time practices, detention, demurrage, container freight stations, port and inland container yards and container depots, terminals and other points of cargo receipt, vanning, devanning, furnishing equipment to or leasing equipment from shippers/consignees/inland carriers/others, collection agents at destination, maintaining and distributing information and data and statistics and all other practices, rules, regulations, and matters ancillary to transportation of cargo moving within the scope of this Agreement, rules regarding the time and currency in which the parties collect their rates and charges, credit conditions, suspension and restoration of credit privileges, handling of delinquent accounts and interest thereon. The parties may discuss any rate, service item or rule on which independent action has been taken and service contracts, if any. The parties will, to the extent required by law or as determined by them, publish and file their own separate tariff or tariffs.

(b) This Agreement does not authorize any common tariffs. The parties are not required hereunder to agree upon, or if they do agree, to adhere to any uniform rates, charges, practices, conditions of service, or other decisions. There is no provision in this Agreement for any sharing of expense or conduct of any collective administrative affairs. Each party shall designate a point or points of entry for receipt of all inter-party communications in connection with the operation of this Agreement.

(c) An agreement made hereunder by the Agreement Party is an agreement on behalf of and is binding on each member of the Agreement Party to the same extent that the Conference is bound.

(d) The parties may meet in person, by telephone or conduct business by written, telex, telefax, e-mail or other electronic exchanges. At any meeting and in order to foster a consensus, all carriers, including the individual carrier members of Agreement Party, may communicate directly with the independent

West Coast of South America
Discussion Agreement
FMC Agreement No.
Original Page No. 4

carrier parties and express their views with respect to any matter authorized herein.

(e) To further assist in reaching a consensus all carriers, including the individual carrier members of Agreement Party, may communicate directly with some or all of the independent carrier parties and exchange information with them, with respect to any matter authorized herein, prior to meetings of the Agreement.

ARTICLE 6: OFFICIALS OF THE AGREEMENT AND DELEGATION OF AUTHORITY

The Chairman of the Agreement Party shall serve as the Secretary of and shall be responsible for taking minutes of meetings and filing any reports with the Federal Maritime Commission as may be required. The parties may appoint a Secretariat to provide administrative and housekeeping functions in connection with the operation of this Agreement, delegate such authority to persons performing those services as may be necessary for that purpose and apportion any expenses in connection with administration of the Agreement between or among them.

The persons authorized to file the Agreement or any subsequent modifications thereto with and submit associated supporting materials to the Federal Maritime Commission are Sher & Blackwell, Attorneys-At-Law, or such other persons as the parties may hereafter designate in writing.

ARTICLE 7: MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

Any ocean common carrier or conference of such carriers (as defined in the Shipping Act of 1984) which is regularly engaged as an ocean common carrier in the trade, directly or by transshipment, or which furnishes evidence of ability and an intention in good faith to institute and maintain a regular service in the trade, may hereafter become a party to this Agreement by signing the Agreement or a counterpart copy thereof and furnishing the same to the other parties. Prompt notice of admission to membership shall be furnished to the Federal Maritime Commission and no admission shall be effective prior to the date a party's admission is effective in accordance with the regulations of the Federal Maritime Commission.

West Coast of South America
Discussion Agreement
FMC Agreement No.
Original Page No. 5

ARTICLE 8: VOTING

There is no voting under this Agreement. Any consensus or agreement reached by some or all parties hereunder shall be a matter of voluntary adherence by those parties choosing to so agree. Provided however, that any matter submitted to Agreement shall be acted upon within two business days following the day of its receipt by the parties.

ARTICLE 9: DURATION AND TERMINATION OF THE AGREEMENT

This Agreement shall enter into force, and may be implemented, as of the first day it becomes effective pursuant to the Shipping Act of 1984. This Agreement shall continue in effect indefinitely until cancelled by the parties. Any party may terminate its membership in the Agreement by giving thirty (30) days' written notice to the other parties. Notice of withdrawal of a party shall be promptly furnished to the Federal Maritime Commission.

ARTICLE 10: AMENDMENTS AND EXECUTION

This Agreement may be modified by unanimous agreement of the parties and any modification hereto shall be executed in writing. If is executed by separate counterparts, each such counterpart shall be deemed an original, and all of which together shall constitute a single instrument.

West Coast of South America
Discussion Agreement
FMC Agreement No.

IN WITNESS WHEREOF, the parties listed below have caused the foregoing Agreement to be executed on their behalf by their respective duly authorized officer or agent.

West Coast of South America
Agreement
and its Member Lines

By: Nathan J. Bayer
Name: NATHAN J. BAYER
Title: ATTORNEY IN-FACT

Naviera Consolidada S.A.

By: [Signature]
Name: Adm. FAVIO CERVILLOS
Title: COMMERCIAL MANAGER

Transportes Navieros Equatorianos

By: _____
Name:
Title:

Seaboard Marine Ltd.

By: _____
Name:
Title:

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Discussion Agreement
FMC Agreement No.**

**IN WITNESS WHEREOF, the parties listed below have
caused the foregoing Agreement to be executed on their behalf by
their respective duly authorized officer or agent.**

**West Coast of South America
Agreement
and its Member Lines**

**By: _____
Name:
Title:**

Naviera Consolidada S.A.

**By: _____
Name:
Title:**

Transportes Navieros Equatorianos

**By:  _____
Name: RODRIGO ALVEAR MALDONADO
Title: ATLANTIC SERVICES MANAGER**

Seaboard Marine Ltd.

**By: _____
Name:
Title:**

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**West Coast of South America
Agreement
and its Member Lines**

**By: _____
Name:
Title:**

Naviera Consolidada S.A.

**By: _____
Name:
Title:**

Transportes Navieros Equatorianos

**By: _____
Name:
Title:**

Seaboard Marine Ltd.

**By: _____
Name: Jose A. Concepcion
Title: VP Pricing**